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GOVERNMENT OF INDIA

MINISTRY OF INDUSTRY AND SUPPLY

RESOLUTION

New Delhi, the 9th August 1948

No. D-1(354)/II.—In February, 1948, the Government of India appointed a Committee (known as the Disposals Utilization Committee) under the Chairmanship of Mr. G. T. Thadhani, formerly Deputy Director-General (Supply), to make recommendations regarding the best use in Technical Departments of the Central, Provincial and State Governments and in industries and scientific laboratories, of plant, machinery and scientific apparatus available with the Director-General (Disposals); to inspect, where necessary, the stores held by the Director-General (Disposals) with a view to suggesting reconditioning of partially damaged plants or salvaging of undamaged parts of damaged plants, wherever such a course may be considered advisable; and to make any other ancillary recommendations they may think necessary in this connection.

2. The Committee submitted their report on the 20th May 1948. It was placed before the Disposals Board on the 2nd July 1948.

3. The Committee has come to the conclusion that a variety of capital and consumer goods of which there are large stocks could be utilized in a manner which would considerably add to the productive resources of the country. The main findings of the Committee are:

- (1) The present procedure, *viz.*, disposal of surpluses as they arise and Government Departments indenting only against their current requirements should be modified. Government Departments should frame their requirements on a reasonably long-term basis to ensure proper utilization of surplus stores.
- (2) To ensure utilization to the best advantage, recondition of surplus stores should be undertaken either by the Disposals Organization itself or by the Ministries concerned after taking over the surplus equipment.
- (3) Financial arrangements and practices should be modified, where necessary to enable (1) and (2) above being implemented.
- (4) Machine tools available from surplus and reparation sources should be utilized for the establishment of the following factories:—
 - (a) a factory for the manufacture of machine tools,
 - (b) a factory for the manufacture of aero-engines and internal combustion engines,
 - (c) a factory for the manufacture of aircraft.
- (5) Machine tools not required for the above projects should be suitably allocated between various projects undertaken by Government and also to different Government Departments.

- (6) Much of the wireless equipment available should be used as raw material for the setting up of a radio industry.
- (7) Signal stores which cannot be brought into use should be utilized as raw materials for the establishment of an electronic industry.
- (8) Certain types of stores which are durable in character and for which there is no immediate demand should be stored and issued as and when demands arise.

4. The Government of India accept the principle that priority indentors should take over from Disposals not only their current requirements but also their future requirements to the extent possible, in consultation with appropriate financial authorities.

5. The Committee's recommendation that the Disposals Organization itself should recondition surplus stores before sale of others, involves a fundamental departure from the existing policy. The Disposals Organization has no facilities for carrying out such reconditioning. To attempt this work by the employment of other agencies whether official or non-official will almost amount to the Organization converting itself into an industrial undertaking with the attendant risks. Government, therefore, accept only the alternative suggestion of the Committee that the indenting Departments should be encouraged to take over the stores from Disposals and recondition them under their own arrangements.

6. The Committee's suggestion that certain types of stores which are durable in character and for which there is no immediate demand, *e.g.*, signal stores, radio equipment, small tools and hand tools, should be stored and issued as and when demands arise would retard speed of disposal and, in some cases, would involve the transfer of custodial duties from Defence Ministry to the Ministry of Industry and Supply. The Government of India, however, accept the recommendation in principle and would give effect to it wherever it is worth-while.

7. The Government of India accept in principle the recommendation of the Committee that surplus machine tools and machine tools obtained as reparations from Germany should as far as possible be utilized for the establishment of factories for the manufacture of machine tools, internal combustion engines or aircraft. Projects for such manufacture are already under Government's consideration.

8. The Committee has made a series of other recommendations regarding the utilisation and disposal of particular classes of goods. The Government of India direct the Director General (Disposals) to consider these detailed recommendations in consultation with appropriate authorities and to take further action after obtaining the approval of the Disposals Board or the Government wherever necessary.

9. In conclusion, the Government of India wish to express their appreciation to the Chairman and members of the Committee for the valuable report which they have produced within the short time at their disposal.

ORDER

ORDERED, that a copy of this Resolution be communicated to all Ministries, their attached offices concerned, Provincial Governments, all Chief Commissioners, the Cabinet Secretariat, the Private Secretary to H. E. the Governor General, the Auditor General, the Directorate General, Industry and Supply, the Directorate General, Disposals, and all Regional Commissioners of Disposals.

ORDERED also that it be published in the *Gazette of India*.

S. A. VENKATARAMAN, Secy